

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	
OF NORTHERN KENTUCKY WATER)	CASE NO. 97-039
SERVICE DISTRICT)	

O R D E R

On January 28, 1997, Northern Kentucky Water Service District ("Northern Kentucky") filed its application with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. Northern Kentucky purchases a portion of its water from the city of Newport Water Department ("Newport").
2. Newport filed with the Commission to increase its rate to Northern Kentucky from \$0.795 per 1,000 gallons to \$0.90 per 1,000 gallons. The Commission accepted the proposed rate increase from Newport effective for service rendered on and after January 22, 1997.
3. During the 12 months ending December 31, 1996, Northern Kentucky purchased 1,539,480,700 gallons of water from Newport at a rate of \$0.795 per 1,000 gallons. Under a new contract arrangement Northern Kentucky anticipates purchasing 983,686,815 gallons from Newport at a rate of \$0.90 per 1,000 gallons during 1997.

4. Based on Newport's current charges for purchased water and the expense incurred by Northern Kentucky to produce its water, Northern Kentucky's water costs will decrease by \$160,854, resulting in a decrease of \$0.02 per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, the average bill of Northern Kentucky's customers in the Campbell County area will decrease \$0.10 from \$18.48 to \$18.38, or .5 percent. Northern Kentucky's customers in the Kenton County area who use 5,000 gallons will receive a decrease of \$0.10 from \$13.56 to \$13.46, or .7 percent.

5. Northern Kentucky's proposed tariff for the Campbell County area is correct and should be approved.

6. Northern Kentucky's proposed tariff for the Kenton County area setting out the usage allowances for the monthly and quarterly billings is incorrect. Additionally, the First Revised Sheet No. 4 showing fixed service charges should reflect that those charges apply to the Kenton County area instead of the Campbell County area.

7. The purchased water adjustment of \$0.02 per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

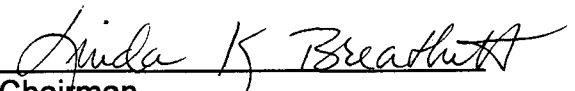
1. Northern Kentucky's proposed tariff for the Campbell County area is approved. Within 30 days from the date of this Order, Northern Kentucky shall file a corrected tariff for the Kenton County area.

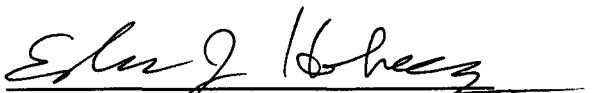
2. The purchased water adjustment of \$0.02 per 1,000 gallons and the rates in Appendix A are approved for service rendered on and after January 22, 1997.

3. Within 30 days of the date of this Order, Northern Kentucky shall file verification that customer notice has been given.

Done at Frankfort, Kentucky, this 20th day of February, 1997.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-039 DATED FEBRUARY 20, 1997

The following rates and charges are prescribed for the customers in the area served by Northern Kentucky Water Service District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

CAMPBELL COUNTY AREA

First 3,000 gallons per quarter	\$17.00 Minimum Bill
Over 3,000 gallons per quarter	3.18 per 1,000

Minimum Quarterly Charges

5/8" Connection	\$17.00	2" Connection	\$158.57
3/4" Connection	21.57	3" Connection	452.47
1" Connection	44.86	4" Connection	835.01
1 1/2" Connection	98.36	6" Connection	2,048.59

Pendleton County Water District	\$1.93 per 1,000 gallons
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KENTON COUNTY AREA

Monthly Retail Rates:

First 200 cubic feet	@	See Fixed Service Charge
Next 1,300 cubic feet	@	\$ 1.73 per 100 cubic feet
Next 163,500 cubic feet	@	\$ 1.49 per 100 cubic feet
Over 165,000 cubic feet	@	\$.90 per 100 cubic feet

Quarterly Rates:

First	600 cubic feet	@	See Fixed Service Charge
Next	3,900 cubic feet	@	\$ 1.73 per 100 cubic feet
Next	490,500 cubic feet	@	\$ 1.49 per 100 cubic feet
Over	495,000 cubic feet	@	\$.90 per 100 cubic feet

Customers in Subdistrict A shall be assessed a monthly surcharge of \$17.08
Customers in Subdistrict B shall be assessed a monthly surcharge of \$24.00

Other Utilities at Wholesale Rates:

Boone County Water District	\$ 1.44 per 1,000 gallons
City of Bromley	\$ 1.44 per 1,000 gallons
City of Florence	\$ 1.44 per 1,000 gallons
Taylor Mill Water Commission	\$ 1.44 per 1,000 gallons
City of Walton	\$ 1.44 per 1,000 gallons
Winston Park Water Department	\$ 1.44 per 1,000 gallons

Fixed Service Charges:

<u>Meter Size</u>	<u>Monthly Charge</u>	<u>Quarterly Charge</u>
5/8 inch	\$ 5.47	\$ 16.42
3/4 inch	7.28	21.84
1 inch	10.87	32.61
1/2 inch	19.82	59.46
2 inch	30.57	91.71
3 inch	55.66	166.98
4 inch	91.49	274.47
6 inch	181.07	543.21
8 inch	288.57	865.71
10 inch	449.82	1,349.46
12 inch	593.16	1,779.48